

JUSTIFICATION AND APPROVAL
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity.

The contracting activity is the Commanding Officer, Naval Facilities Engineering Command Europe Africa Southwest Asia (NAVFAC EURAFSWA), Public Works Department (PWD), Facilities Engineering and Acquisition Division (FEAD), Rota Spain.

2. Description of the Action Being Approved.

FEAD Rota would like to contract Telefonica of Spain, Madrid, Spain, for the engineering, provision, installation, testing, and certification of the inside and outside telecommunications cable plant required in support of N33191-12-C-0603, Military Construction (MCON) project P-897, Air Traffic Control Tower, at Naval Station, Rota, Spain.

3. Description of Supplies/Services.

The provider will engineer, procure, install and test inside and outside cable plant and associated terminations in support of data and voice networks to be used by the US Navy, US Air Force, and Spanish Navy in the new facility. Generally, inside cable plant (ISP) will consist of CAT6 unshielded twisted pair (UTP) for voice and data drops, to be installed between user wall-plate locations marked in the design plan and associated equipment racks or frames located in designated communications equipment spaces. Outside plant (OSP) will consist of single-mode fiber optic (FO) cable in various sizes (i.e., strand counts), to be installed per the design plan provided, as amended. Fiber optic cable plant will be terminated in break-out shelves equipped with splice mounting trays and patch panels. The telecommunications service provider will also install intermediate distribution frames and 19-inch network equipment racks with patch panels for termination of voice and data drops respectively. Racks will be equipped with electrical connections and installed with proper grounding systems per the provided design plan and applicable specifications.

Estimated Dollar Value

The current estimate is for the one-time firm-fixed-price cost of installation and testing of the infrastructure described above, and based on the FY14 (second-half) rate of exchange .7655, is approximately \$734,000 USD.

4. Statutory Authority Permitting Other Than Full and Open Competition.

FAR 6.302-1(b)(3) Only one responsible source and no other supplies or services will satisfy agency requirements. This is in accordance with FAR 41.102 and 41.202, Acquisition of Utility Services.

5. Rationale Justifying Use of Cited Statutory Authority.

5.1 – SOFA Agreement - Annex 4. Telecommunications Annex of the bilateral agreement requires the US to use local service providers for telecommunications services unless the local provider cannot meet the operational requirements of the customer. The SJA has upheld this position on several previous occasions, the last time being in 2007 when we were obliged to replace the base telephone switch via Telefonica.

5.2 – Ownership - Telefonica of Spain is the titular owner of 95 percent of the outside plant conduit system, as well as all copper telephone cable plant on base. As a result, all OSP work MUST be performed by Telefonica to avoid the extremely high cost of installation that would result if existing Telefonica-owned conduit infrastructure were not available.

5.3 - Continuity - Telefonica has been involved with planning for the project since its inception, and has already executed the OSP cable work required to prepare the site for the new construction.

5.4 – Joint project - Telefonica sub-contractor SINETEL, has been approved by the Spanish Navy for that portion of the project, and has been engaged with planning since project inception.

5.4 – Cost considerations - The firm-fixed price “best offer” cost estimate that the US Navy receives from Telefonica is based on the premise that both ISP and OSP would be awarded to Telefonica to provide for continuity and cost-effective use of manpower and materials. Award of the ISP portion to a “third-party” contractor would impact unfavorably on the cost of the project to the US Navy.

5.5. – Post-installation maintenance - The USN at Rota leases outside plant from Telefonica, who maintains an on-base crew for OSP maintenance that also guarantees service to the desktop, as long as Telefonica or a Telefonica-approved sub-contractor installs the ISP. If a third-party installs the ISP, and there are any issues, Telefonica has indicated that service would be guaranteed only to the building entrance point (demark where the OSP is cross-connected to the ISP).

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.

No market research was conducted, and no efforts were made to contact other interested parties. Given the ownership of outside plant and the aforementioned maintenance issue, no competition is available.

7. Determination of Fair and Reasonable Cost. The Contracting Officer has determined the anticipated cost to the Government of the supplies/services covered by this J&A will be fair and reasonable. The US Navy is a recognized large client of Telefonica, who has historically extended goods and services to the US Navy under "favored client" conditions.

8. Actions to Remove Barriers to Future Competition.

For the reasons set forth in Paragraph 5, Navfac Eurafswa FEAD Rota has no plans at this time to compete future contacts for the types of supplies/services covered by this document. If another potential source emerges, Navfac Eurafswa FEAD Rota will assess whether competition for future requirements is feasible.